

General Terms and Conditions

1. In General

The terms and conditions of the contracted party (contractor) are the foundation of all business relations with the customer. They are only valid for business deals with

- a) persons acting in the capacity of carrying out their commercial or self-employed activities (businesses)
 - b) public law bodies and legal persons representing special public funds
- Any subsidiary agreements or changes to the contract must be submitted in writing.

2. Prices

- a) All prices agreed upon constitute net prices do not include VAT, which appears in the invoice as a separate item. The contractor does not accept liability for any turnover tax debts or turnover tax procedures of our foreign or domestic customers. Insofar as the contractor is held responsible for their obligations or commitments, an indemnification claim is payable immediately.
- b) The customer can be charged separately for any changes made to the order after the customer has authorised commencement of production, including any machine downtime resulting from these changes.
- c) The contractor reserves the right to charge the customer for any extra costs incurred as a consequence of requests to deliver sooner than agreed, in particular for weekend work and increased shipment costs. The removal of errors from any data supplied (digital data) will be charged in accordance with the expenditure required. The customer is required to pay any additional costs which result from the customer providing materials for processing which are either unserviceable or require extra expenditure in order to be used.
- d) Surplus or short delivery of up to 5% of the ordered products and the amounts in the invoice corresponding thereto cannot be rejected.

3. Delivery periods

- a) The contractor specifies the anticipated delivery date in the order confirmation. The delivery period begins once the order has been completely clarified, the customer has officially released in writing the digital proof and/or any other exorable documentation, and the contractor has received this documentation. A specific delivery date or period is only valid by written agreement.
- b) Any compensation claims resulting from delayed delivery will not be recognised.
- c) The contractor can withdraw from the agreement should it become impossible for the contractor or anyone else to carry out the obligation. The customer does not reserve the right to claim compensation in such cases.
- d) This also applies in cases where the customer or any other supplier fails to deliver, or does not deliver on time or in sufficient quantities any of the materials required to fill the order.

4. Consignment

The contractor accepts any returned packaging in accordance with the Statutory Packaging Ordinance. Shipping cages remain the property of the contractor. The customer is required to return free of charge the same number of Europallets as received within an appropriate time period and in good order. Returned packaging must be clean, free of foreign substances and sorted into packaging types, otherwise the contractor reserves the right to request that the customer cover any costs arising from the disposal of such packaging.

5. Payment

- a) An invoice from the contractor is to be paid within 14 days of the date on the invoice
- b) The contractor reserves the right to invoice part shipments or part performance.
- c) All demands for payment are due immediately should the customer fall behind in its payment commitments - including those originating from other contracts with the contractor - or fail to conform in any other way to the conditions in the contract. The contractor can withhold goods not yet delivered, demand payment in instalments for part deliveries or discontinue production on current orders.
- d) In the event of a complaint, the customer does not reserve the right to completely refuse to pay an invoice within the period stated.
- e) The customer cannot offset against cross claims unless the customer's claim is legally binding or indisputable, nor can the customer derive any retention rights from other contracts.
- f) The customer is obliged to make payments in advance insofar as the customer's general credit insurance does not provide adequate coverage.

6. Retention of title

- a) All materials and finished products remain the property of the contractor until complete payment of the invoiced amounts. During processing and the use of goods belonging to the contractor, the contractor is to be recognised as the manufacturer and maintains ownership of the produce at every stage of production. If third parties are involved

in the processing or use of goods or if materials belonging to the customer are processed, the contractor's property is limited to a co-owner share equivalent to the invoice value of the goods processed. Any property thus acquired is considered conditional property.

- b) Material supplied by the contractor can be freely accessed by the customer in the normal course of business. Claims resulting herefrom are hereby assigned to the contractor at the value of the contractor's joint ownership share. The contractor accepts the assignment of claims. The contractor reserves the right to make public the recipients of the assignment. The customer is required to make available to the contractor upon request any information regarding the recipients or the value of the assigned claims.
- c) As long as the customer's payments are not in arrears, the customer is authorised to call in any claims assigned to the contractor
- d) Should the value of the securities exceed the contractor's claims by more than 20%, the contractor is obliged to release upon the customer's request. In such cases, the contractor reserves the right to choose from among several securities.

7. Liability for Defects

- a) Notices of defects must be lodged within 3 days of receiving the delivery; otherwise the defects liability guarantee becomes invalid.
- b) The defects liability guarantee is invalid insofar as any material not considered industry standard is subject matter of the contract, unless the customer has pointed out the material's characteristics to the contractor in writing and received confirmation from the contractor.
- c) The same applies in cases where the customer or a third party has made available to the contractor digital data which is defective
- d) The contractor will rectify or repeat - whichever is deemed suitable by the contractor - free of charge those parts of an order that prove to be defective as a consequence of circumstances prevailing at the passage of risk.
- e) Claims on the part of the customer are limited to subsequent fulfilment. However, the customer explicitly reserves the right to either demand a reduction in price or withdraw from the contract as the customer sees fit.
- f) The contractor is only liable for damages to entities other than the goods themselves in the event of wilful default, gross negligence, non-accidental disregard for life, personal injury, malicious silence with intent to deceive or fraudulent guarantee. Liability in accordance with German Product Liability Laws (Produkthaftungsgesetz) remains effective.
- g) Should the contractor violate any other terms of the contract as a result of negligence, liability is limited to typical forms of damage that can be reasonably expected for this type of contract.
- h) Claims submitted after a 12-month period has elapsed will not be recognised. The statutory time frames apply for claims of wilful or fraudulent behaviour and claims in accordance with German Product Liability Laws (Produkthaftungsgesetz).

8. Execution

- a) The order is processed in accordance with the latest developments in technology and within technically required material and procedural tolerance limits insofar as no specific processing norms have been stipulated.
- b) The contractor has recourse to the rights under Article 642 of German Civil Law (BGB) in the event that, due to its physical characteristics, material supplied by the customer cannot be properly used or processed.
- c) The contractor is only liable in cases of wilful damage or gross negligence should material belonging to the customer be damaged whilst its suitability for use and processing is being assessed.

9. Copyright

- a) The contractor retains the copyright and duplication rights for its own sketches, samples, designs, originals, films and the like.
- b) Lithographs, copy layouts, embossing plates, digital proofs, pressing tools, contours etc. remain the property of the contractor insofar as digital data forms the basis of the product. This is also the case if separate amounts corresponding to their respective costs appear in the invoice. The contractor is not subject to any retention obligations.

10. Domicilium executandi/Legal Domicile

The domicilium executandi for orders placed with the contractor is the place of business where processing is carried out. The processing location for payment and place of jurisdiction is the corporate seat of business. German law applies, supplemented by United Nations agreements concerning contracts involving the international sale of goods. The General Terms and Conditions of FILE Ltd. take precedence.

11. Arbitration of dispute and proper law

Any disputes between the parties will be decided by the court with the jurisdiction dependant on the seller's headquarters address, in accordance with current Polish legal regulations. These Terms and Conditions made in the Polish language are binding to the parties and constitute sole basis for deciding any potential disputes between the parties. Any language versions of the Terms and Conditions are supplementary and in no way constitute any legal source.